

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7128**

**BILL NUMBER:** HB 1126

**NOTE PREPARED:** Feb 14, 2003

**BILL AMENDED:** Feb 13, 2003

**SUBJECT:** Teacher Employment and Compensation.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill specifies a grievance procedure for teachers who are employed by the state. It specifies that the salary schedules for compensation of teachers at state institutions must: (1) include a daily rate of pay; and (2) be, at a minimum, equal to the salaries paid by the school corporation having the greatest enrollment in the county where the employing institution is located. The bill requires the state to provide a group health insurance program to retired state employees who were employed as teachers if the person was employed and participated in the employee's retirement fund for 20 years of which at least ten years were immediately preceding retirement. It makes conforming amendments.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Grievance Procedures:* The grievance procedure specified by the bill will have little or no fiscal impact.

*Background Information:* There are about 494 teachers in these state institutions with total salaries of about \$30.2 M.

*Group Health Insurance:* The bill allows a state employee who taught in a state institution under the Department of Correction; the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and Sailors' Children's Home; or Silvercrest Children's Development Center who retired between age 55 and 65 with 10 years of service immediately prior to retirement or 20 years of total service to participate in the state health insurance program. Currently, an employee would need 15 years of service to participate in the health insurance plan. The number of people who would qualify is unknown, but the impact would probably be

minor.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Personnel; Department of Correction, the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and Sailors' Children's Home; and Silvercrest Children's Development Center.

**Local Agencies Affected:**

**Information Sources:** Keith Beesley Department of Personnel , 317-232-3062

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825